

City of Woonsocket Budget Commission
City Hall
169 Main Street
Woonsocket, RI 02895

**SECOND AMENDMENT OF THE RESOLUTION IN SUPPORT OF A FUNDING
IMPROVEMENT PLAN ADOPTED MAY 20, 2013**

WHEREAS, The City of Woonsocket ("City"), was placed under the jurisdiction of a Budget Commission by the state Director of Revenue on May 29, 2012;

WHEREAS, The Woonsocket Budget Commission passed a resolution on March 19, 2013 entitled "Resolution to Reform Pension and Post-retirement Benefits" which affected both pension and retiree health benefits

WHEREAS, The Woonsocket Budget Commission passed a resolution on May 20, 2013 entitled "Resolution in Support of a Funding Improvement Plan" electing option 2a to be submitted to the Locally-Administered Pension Plans Study Commission

WHEREAS, The Woonsocket Budget Commission passed an amended resolution on June 3, 2013 entitled "Amending the Resolution in Support of a Funding Improvement Plan Adopted May 30, 2013" amending the selection of option 2a to 2ai to be submitted to the Locally-Administered Pension Plans Study Commission

WHEREAS, The Woonsocket Budget Commission passed an amended resolution on June 28, 2013 entitled "Amendment to Woonsocket Budget Commission Resolution to Reform Pension and Post-retirement Benefits" which clarified both pension and retiree health benefit modifications

WHEREAS, The Woonsocket Budget Commission passed a second amended resolution on July 29, 2013 entitled "Second Amendment to Woonsocket Budget Commission Resolution to Reform Pension and Post-retirement Benefits" which further clarified both pension and retiree health benefit modifications

WHEREAS, The Woonsocket Budget Commission agreed to terms with represented retirees from council 94, Teachers, and Paraprofessionals on October 16, 2013 regarding health benefits.

WHEREAS, The Woonsocket Budget Commission has been in continuous negotiations with the remaining represented retiree groups

WHEREAS, The Woonsocket Budget Commission agreed to terms with represented retirees from Police and Fire on December 23, 2014

WHEREAS, The Woonsocket Budget Commission passed a third amended resolution on December 23, 2014 entitled "Third Amendment to Woonsocket Budget Commission Resolution to Reform Pension and Post-retirement Benefits" reducing the effect of the modifications placed on retiree pension and medical benefits outlined in the second amended "Second Amendment to Woonsocket Budget Commission Resolution to Reform Pension and Post-retirement Benefits"

WHEREAS, The Woonsocket Budget Commission passed a fourth amended resolution on December 23, 2014 entitled "Fourth Amendment to Woonsocket Budget Commission Resolution to Reform Pension and Post-retirement Benefits" reducing the effect of the modifications placed on retiree pension and medical benefits outlined in the "Second Amendment to Woonsocket Budget Commission Resolution to Reform Pension and Post-retirement Benefits"

WHEREAS, The agreements and amended resolutions passed by the Woonsocket Budget Commission on December 23, 2014 included reducing the effect of the modifications on the police/fire pension plan pensioner benefits; which includes increasing the cost of living adjustments from 0% indefinitely (as contained in the original FIP) to 2% compounded every other fiscal year starting in FY2017 for all participating retirees and becoming yearly starting in FY2023, and provides that the 3% compounded Cost of Living Adjustment will be restored when the pension fund reaches 80% funding. In addition, those represented retirees who agreed to terms with the Woonsocket Budget Commission will receive a retroactive compounded cost of living adjustment of 2% for FY2015.

WHEREAS, The agreements also provide that pension plan members and beneficiaries receive an annual notice containing information including the funded status and ARC contributions.

NOW, THEREFORE, BE IT RESOLVED that the Woonsocket Budget Commission hereby amends the amended funding improvement plan that was submitted to the Locally-Administered Pension Plans Study Commission on June 3, 2013 to include the provision set forth in the memorandum of agreements with represented Police and Fire retirees and the Third and Fourth amendments to "Woonsocket Budget Commission Resolution to Reform Pension and Post-retirement Benefits" passed by the commission on December 23, 2014.

BE IT FURTHER RESOLVED, that the City of Woonsocket shall cause to be prepared the annual funding notice in the form attached hereto as Attachment "A".

BE IT FURTHER RESOLVED that the Woonsocket Budget Commission will submit the second amended funding improvement plan to the Locally-Administered Pension Plans Study Commission immediately after the adoption of this resolution.

BE IT FURTHER RESOLVED submission to the Locally-Administered Pension Plans Study Commission will include the scenario #2014-9-12 updated 2014-10-11 and 201-1-30 prepared by USI, attached hereto as Attachment "B", which reflects the estimated impact of changes to the pension plan due to the memorandum of agreements and resolutions, total revenue projection for the next 5 years, and copies of the sections of the memorandum of agreements and resolutions, attached hereto as Attachment "C", reflecting the changes in pension benefits.

This Second Amended Resolution shall become effective upon its passage. Adopted and passed by the Woonsocket Budget Commission on February , 2015.

Attest:



Dina Dutremble
Woonsocket Budget Commission Chair

Attachments:

- A – Annual funding notice template
- B – USI revised FIP scenario #2014-9-12 updated 2014-10-11 and 201-1-30
- C – Sections of MOAs and Resolutions passed by Budget Commission on December 23rd, 2014 affecting the City's Police/Fire Closed Pension Plan

*Pursuant to R.I. Gen. Laws 45-9-6, Budget Commissions are only subject to the Open Meetings requirements of chapter 42-46 of the general laws when taking certain actions specified in that law.

Second Amended Funding Improvement Plan

In accordance with Rhode Island General Laws Section 45-65-6, the City of Woonsocket, Rhode Island (the City) is submitting this Second Amended Funding Improvement Plan (Plan) to the Locally-Administered Pension Plans Study Commission (the Commission) with respect to the City's Policemen's Pension Fund and the Firemen's Pension Fund (the Plan). The City has reached agreement with the majority of its retired Police and Fire who are receiving benefits from this plan and has passed resolutions governing the benefits for all others receiving pension benefits from said plan on December 23rd, 2014. Based on these agreements and resolutions, the City is amending its prior submission of an amended funding improvement plan to include the changes reflected in the agreements and resolutions.

A Budget Commission was authorized by the State Director of Revenue on May 29th, 2013 to remedy the City's fiscal situation. Among the many issues facing the Budget Commission was the Plan and how to improve the funding status of the Plan over a reasonable time period. At the time the Budget Commission took authority over City finances there was a requirement under the State law which authorized the issuance of the \$90 million of pension obligation bonds to fund the Plan's unfunded liability so that 100% funding was achieved in no less than five years. Also, the Plan's pensioners were receiving a 3% compounded COLA each year. Based on the Plan parameters at that time, and given its five year funding and COLA requirements the Actuarial Required Contribution would have been 10,484,317 per year over the next five fiscal years. Without changes to the Plan's benefit structure and amortization period it would have been impossible for the Plan to achieve a funding status above critical. As a result the Budget Commission submitted legislation that was approved and signed into law by the Governor on July 11th, 2013 that would enable the City to extend the amortization period for the Plan's unfunded liability from no more than five years to no more than twenty five years.

Original FIP Submission

The Budget Commission passed a resolution on May 20th 2013 that eliminated Plan COLA benefits indefinitely. Utilizing the changes made by the Budget Commission the City submitted to the commission on June 3rd, 2013 an amended funding improvement plan where they selected option 2ai (Attachment D), which included the following major changes to the Plan's benefits, amortization period, and contributions:

- Eliminate all future Cost of Living Adjustments (COLAs) indefinitely
- Amortize the unfunded liability over a 16 year period starting in FY2013 and achieve 100% funding by the end of the 16 year period
- Contributions: 1,000,000 in FY13, 3,465,000 in FY2014-FY2017, 3,925,000 in FY2018-FY2028, and 0 in FY2029

Attachment A

Amended FIP Submission

In the City's amended submission to the Commission the City has attached scenario 2014-9-12 updated 10/11/2014 and 1/30/2014 developed by the City's actuary, USI, that reflect the changes to the Plan based on the memorandums of agreements and resolutions passed by the Budget Commission on December 23rd, 2014, which include the following major changes to the Plan's benefits, amortization period, and contributions:

- 2% retroactive compounded COLA to the Plan's participants who agreed to terms with the Budget Commission for FY2015.
- 0% COLA in FY2016
- 2% compounded COLA starting in FY2017 and every other year thereafter until FY2023, all Plan participants including those who reached agreement with the Budget Commission and those who did not will receive this benefit.
- 2% compounded COLA starting in FY2024 and every year thereafter until the plan reaches 80% funded.
- 3% compounded COLA starting the year the plan reaches 80% funded (current projection by USI shows this benefit occurring in FY2033)
- Amortize the unfunded liability over a 22 year period starting in FY2015 and achieve 100% funding by the end of the 22 year period
- Contributions: starting with a base contribution of 3,548,00 in FY2015 and then increasing the contribution by an estimated 2.4% annually until the plan reaches 100% funding status

In addition, retirees and beneficiaries will be provided with an annual funding notice from the municipality regarding its pension status. This is part of the agreement with the retirees.

Attachment B

ANNUAL FUNDING NOTICE TEMPLATE

Annual Funding Notice
For
[insert name of pension plan]

Introduction

This notice includes important information about the funding status of your pension plan ("the Plan"), as well as other information such as participant information and funding and investment policies. All locally-administered pension plans must provide this notice every year regardless of their funded status. This notice is provided for informational purposes and you are not required to respond in any way. As a plan member, you are responsible for providing the plan sponsor with your current address and contact information at all times. This notice is for the plan year beginning [insert beginning date] and ending [insert ending date] ("Plan Year").

How Well Funded Is Your Plan

[Under Rhode Island law], the plan must report how well it is funded by using a measure called the "funded ratio." This percentage is obtained by dividing the Plan's Assets by Plan Liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan's funded ratio percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period. In addition, the required funding payment and the planned contribution for the plan year, as well as the required funded payment and actual payments for the two preceding plan years are shown, along with the funded percentage for each year.

Summary of Key Valuation, Funding and Investment Data				
	[Insert plan year- most recent]	[Insert plan year - preceding]	[Insert plan year - 2 years preceding]	
1 Valuation date	[xx/xx/xx]	[xx/xx/xx]	[xx/xx/xx]	
2 Plan assets	[amount]	[amount]	[amount]	
3 Plan liabilities	[amount]	[amount]	[amount]	
4 Funded ratio	[=line2/line3]	[=line2/line3]	[=line2/line3]	
5 Actuarially determined contribution	[amount]	[amount]	[amount]	
6a. Funding from general fund	[amount]	[amount]	[amount]	
6b. Funding from non-general fund	[amount]	[amount]	[amount]	
6 Total funding	[amount]	[amount]	[amount]	
7 Planned/actual payment	[amount]	[amount]	[amount]	
8 Percentage contributed	[line7/line 5]	[line7/line 5]	[line7/line 5]	
9 Money weighted rate of return	[percentage]	[percentage]	[percentage]	

Attachment C

CITY OF WOONSOCKET, RHODE ISLAND
FIREMEN'S PENSION FUND and POLICEMEN'S PENSION FUND
Scenario #2014-9-12 updated 2014-10-11 and 2015-1-30

Contribution Pattern: 2.4% annual increases; at least 100% funded in 22 years (starting with the 7/1/2012 plan year)

Investment Return: 7.50%; COLA applied to retirees only;

Compound COLA Pattern: Alternate 0%, 2% until FYE 2023 then level at 2% until 80% funded with 3%

RP2000 Mortality Table, projected to 2010 and then fully generational with 115% male and 95% female

Fiscal Year Ending 6/30	Estimated Accrued Liability (AL)	Estimated Assets	Unfunded AL	Annual and Scheduled Required Contribution	Benefit Payments	Funded %	Compound COLA
2015	90,478,000	48,567,000	41,911,000	3,548,000	8,187,000	54%	2%/0%*
2016	88,742,000	47,194,000	41,548,000	3,633,000	8,059,000	53%	0%
2017	87,009,000	44,389,000	42,620,000	3,721,000	8,062,000	51%	2%
2018	86,621,000	42,803,000	43,818,000	3,810,000	7,918,000	49%	0%
2019	84,685,000	41,605,000	43,080,000	3,901,000	7,904,000	49%	2%
2020	82,626,000	40,384,000	42,242,000	3,995,000	7,745,000	49%	0%
2021	80,588,000	39,344,000	41,244,000	4,091,000	7,714,000	49%	2%
2022	78,438,000	38,365,000	40,073,000	4,189,000	7,538,000	49%	0%
2023	76,317,000	37,606,000	38,711,000	4,289,000	7,487,000	49%	2%
2024	74,097,000	36,954,000	37,143,000	4,392,000	7,425,000	50%	2%
2025	71,781,000	36,431,000	35,350,000	4,498,000	7,352,000	51%	2%
2026	69,375,000	36,062,000	33,313,000	4,606,000	7,265,000	52%	2%
2027	66,885,000	35,875,000	31,010,000	4,716,000	7,163,000	54%	2%
2028	64,320,000	35,899,000	28,421,000	4,830,000	7,047,000	56%	2%
2029	61,688,000	36,169,000	25,519,000	4,945,000	6,915,000	59%	2%
2030	59,003,000	36,723,000	22,280,000	5,064,000	6,766,000	62%	2%
2031	56,276,000	37,601,000	18,675,000	5,186,000	6,600,000	67%	2%
2032	53,522,000	38,849,000	14,673,000	5,310,000	6,416,000	73%	2%
2033	50,757,000	40,515,000	10,242,000	5,438,000	6,272,000	80%	3%
2034	47,939,000	42,593,000	5,346,000	5,500,000	6,109,000	89%	3%
2035	45,083,000	45,065,000	18,000	0	5,926,000	100%	3%
2036	42,208,000	42,210,000	(2,000)	0	5,724,000	100%	3%

*COLA for selected members

Note: The Accrued Liability, Asset, Unfunded AL, and Funded Percents are all as of the beginning of the fiscal year.

Note: The Annual Contributions are determined assuming mid-year deposit.

- d. "City Pension Plan" refers to the locally administered fund that is used to make pension benefit payments, including cost-of-living adjustments, to certain former employees of the City who were members of the City's police and fire departments.
 - e. "Pension Retirees" refers to certain Fire Retirees who are members of and receive benefits under the City Pension Plan.
 - f. "Option 1" refers to the Blue Cross Blue Shield of Rhode Island 100/80 coinsurance plan with a deductible of \$500/\$1,000 (summary plan description attached as Exhibit 1);
 - g. "Option 2" refers to the Blue Cross Blue Shield of Rhode Island 100/80 coinsurance plan with a deductible of \$2,000/\$4,000 (summary plan description attached as Exhibit 2).
2. Pension Cost-of-Living Adjustment. For eligible Pension Retirees covered by MOA II (which do not include surviving spouses or any beneficiaries), the City shall make payments in an amount that results from application of a compounded two-percent (2%) cost-of-living adjustment to the pension benefit payments that the Pension Retirees actually received as of July 1, 2014, which adjustments shall be applicable to all pension benefit payments made in fiscal year 2015 (July 1, 2014 – June 30, 2015). Thereafter, the City shall make payments of a compounded two-percent (2%) cost-of-living adjustment to the pension benefit payments to both the Pension Retirees covered by MOA II and those not covered by MOA II (which do not including surviving spouses or any beneficiaries), for fiscal year 2017 (effective July 1, 2016); fiscal year

2019 (effective July 1, 2018); fiscal year 2021 (effective July 1, 2020), fiscal year 2023 (effective July 1, 2022), and then for each fiscal year thereafter. In addition:

- a. The City shall review experience studies performed by the City's actuary to determine if the mortality table utilized in the valuations is the appropriate mortality table for the police and fire members, and their beneficiaries.
- b. When the annual actuarial valuation of the City Pension Plan discloses, based upon prudent assumptions consistent with actuarial standards, which analysis includes the review as provided for in subsection 2(a) above, that the pension fund has achieved a funding level of eighty percent (80%) or greater, and when the City's actuary further determines that granting a three-percent (3%) compounded cost-of-living adjustment for all future years of the City Pension Plan shall not result in the projected funding level falling below eighty percent (80%), then for each fiscal year thereafter, the City shall apply and make payment of a three-percent (3%) compounded cost-of-living adjustment to the pension benefits to be paid to all Pension Retirees who are entitled to such cost-of-living adjustment, which does not include surviving spouses or any beneficiaries.
- c. When the annual actuarial valuation of the City Pension Plan discloses that the pension fund has achieved a funding level of between seventy-five-percent (75%) and seventy-nine-percent (79%), then the City, by and through the Mayor or his or her designee, shall meet and confer with City Pension Plan members and their representatives, as is feasible, including those who are

represented by the Association, to determine if restoring the three-percent (3%) compounded cost-of-living adjustment is feasible and fiscally prudent, after taking into account the actuarial cost and impact of such action on all future years of the City Pension Plan.

3. Medical Benefits-Early Retirees (MOA): The following terms shall apply to all Education, City and Fire Retirees covered by MOA I or MOA II who are not eligible for Medicare (hereafter "MOA Early Retirees/Beneficiaries").

- a. Effective July 1, 2013, the existing medical insurance coverage provided by the City shall be replaced, at the election of the MOA Early Retirees/Beneficiaries, with coverage under Option 1 or Option 2. The newly elected coverage shall be one individual plan or a family plan provided in accordance with the terms of the applicable eligibility provisions of the collective bargaining agreement under which the MOA Early Retiree retired.
- b. MOA Early Retirees/Beneficiaries shall be permitted to change their medical insurance plans between Option 1 and Option 2 during open enrollment periods as established by the third-party administrator, or insurance carrier, as applicable.
- c. MOA Early Retirees/Beneficiaries shall not make deductible payments, co-insurance payments or point of delivery payments for covered medical services or prescription drugs (the latter also known as "co-payments" or "co-pays"), in amounts that are in excess of those currently set forth under Option 1 and Option 2, respectively, as attached hereto.

Police Department as of June 30, 2013, or their beneficiaries (to include spouses, survivors and dependents), both non-union and employees who were members of the union.

- b. "City Pension Plan" refers to the locally administered fund that is used to make pension benefit payments, including cost-of-living adjustments, to certain former employees of the City who were members of the City's police and fire departments.
- c. "Pension Retirees" refers to certain Police Retirees who are members of and receive benefits under the City Pension Plan.
- d. "Option 1" refers to the Blue Cross Blue Shield of Rhode Island 100/80 coinsurance plan with a deductible of \$500/\$1,000 (summary plan description attached as Exhibit 1);
- e. "Option 2" refers to the Blue Cross Blue Shield of Rhode Island 100/80 coinsurance plan with a deductible of \$2,000/\$4,000 (summary plan description attached as Exhibit 2).

- 2. Pension Cost-of-Living Adjustment. For eligible Pension Retirees covered by MOA III (which do not include surviving spouses or any beneficiaries), the City shall make payments in an amount that results from application of a compounded two-percent (2%) cost-of-living adjustment to the pension benefit payments that the Pension Retirees actually received as of July 1, 2014, which adjustments shall be applicable to all pension benefit payments made in fiscal year 2015 (July 1, 2014 – June 30, 2015).

Thereafter, the City shall make payments of a compounded two-percent (2%) cost-of-living adjustment to the pension benefit payments to both the Pension Retirees covered by MOA III and those not covered by MOA III (which do not including surviving spouses or any beneficiaries), for fiscal year 2017 (effective July 1, 2016); fiscal year 2019 (effective July 1, 2018); fiscal year 2021 (effective July 1, 2020), fiscal year 2023 (effective July 1, 2022), and then for each fiscal year thereafter. In addition:

- a. The City shall review experience studies performed by the City's actuary to determine if the mortality table utilized in the valuations is the appropriate mortality table for the police and fire members, and their beneficiaries.
- b. When the annual actuarial valuation of the City Pension Plan discloses, based upon prudent assumptions consistent with actuarial standards, which analysis includes the review as provided for in subsection 2(a) above, that the City Pension Plan has achieved a funding level of eighty percent (80%) or greater, and when the City's actuary further determines that granting a three-percent (3%) compounded cost-of-living adjustment for all future years of the City Pension Plan shall not result in the projected funding level falling below eighty percent (80%), then for each fiscal year thereafter, the City shall apply and make payment of a three-percent (3%) compounded cost-of-living adjustment to the pension benefits to be paid to all Pension Retirees who are entitled to such cost-of-living adjustment (which does not include surviving spouses or any beneficiaries).

- c. When the annual actuarial valuation of the City Pension Plan discloses that the City Pension Plan has achieved a funding level of between seventy-five-percent (75%) and seventy-nine-percent (79%), then the City, by and through the Mayor or his or her designee, shall meet and confer with City Pension Plan members and their representatives, as is feasible, including those represented by Lodge #51, to determine if restoring the three-percent (3%) compounded cost-of-living adjustment is feasible and fiscally prudent, after taking into account the actuarial cost and impact of such action on all future years of the City Pension Plan.
- 3. Medical Benefits-Early Retirees (MOA): The following terms shall apply to all Police Retirees covered by MOA III who are not eligible for Medicare (hereafter "MOA Early Retirees/Beneficiaries").
 - a. Effective July 1, 2013, the existing medical insurance coverage provided by the City shall be replaced, at the election of the MOA Early Retirees/Beneficiaries, with coverage under Option 1 or Option 2. The newly elected coverage shall be one individual plan or a family plan provided in accordance with the terms of the applicable eligibility provisions of the collective bargaining agreement under which the MOA Early Retiree retired.
 - b. MOA Early Retirees/Beneficiaries shall be permitted to change their medical insurance plans between Option 1 and Option 2 during open enrollment periods as established by the third-party administrator, or insurance carrier, as applicable.

**MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF WOONSOCKET, BY
AND THROUGH THE WOONSOCKET BUDGET COMMISSION, AND THE
ASSOCIATION OF RETIRED WOONSOCKET FIREFIGHTERS ON BEHALF OF ITS
RETIREE MEMBERS AND BENEFICIARIES**

This Memorandum of Agreement is between and among the City of Woonsocket ("City"), by and through the Woonsocket Budget Commission ("WBC"), on the one hand, and the Association of Retired Woonsocket Firefighters ("Association"), on behalf of its members and beneficiaries ("Retiree Parties"), listed hereto on Attachment 1, on the other. Hereafter the City/WBC and Association shall be referred to collectively as the "Parties." As used at all times in this Memorandum of Agreement:

- "WBC" refers to the Woonsocket Budget Commission, which is established in accordance with R.I. Gen. Laws § 45-9-6, and its agents, employees and representatives, including: (1) its present and former members; (2) the Director of the Rhode Island Department of Revenue; and (3) any and all staff from the Department of Revenue or elsewhere who are employed, retained, or appointed to carry out the responsibilities of the WBC;
- "City" refers to the City of Woonsocket, a municipality of the State of Rhode Island, and its agents, employees, and representatives;
- "City Pension Plan" refers to the locally administered fund that is used to make pension benefit payments, including cost-of-living adjustments, to certain former employees of the City who were members of the City's police and fire departments;
- "Association" refers to the Association of Retired Woonsocket Firefighters, a non-profit corporation representing certain former employees of the Woonsocket Fire Department,

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and their beneficiaries, and its agents, employees, representatives, successors and/or assigns;

- "Pension and Medical Insurance Dispute" refers to the dispute among the WBC and the City, and the Association regarding the lawfulness of the changes implemented by the WBC pursuant to the "Resolution to Reform Pension and Post-Retirement Benefits" adopted by the WBC on March 19, 2013, and any subsequent amendments thereto;
- "Pension Retirees" refers to members of the City Pension Plan, and their beneficiaries, including spouses and surviving spouses, who receive benefits under the City Pension Plan in accordance with the terms set forth in the collective bargaining agreement under which the Pension Retiree retired;
- "Retiree Parties" refers to members of the Association who retired from the City on or before June 30, 2014, and their beneficiaries, including spouses and surviving spouses, covered under and receiving benefits through their participation in the City's pension and/or medical insurance plans; and
- "Medical Insurance" refers to the insurance coverage provided by the City to Retiree Parties for costs incurred by the Retiree Parties in the course of receiving treatment or services for medical reasons, such as preventive care, illness or injury, with the exclusion of treatment or services for dental care, which are typically insured through dental insurance plans.

RECITALS

WHEREAS, in May 2012, the Rhode Island Director of the Department of Revenue appointed a budget commission, at the request of the City Council, in accordance with R.I. Gen. Laws § 45-9-5;

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WHEREAS, as of July 1, 2012, the fund that is used to make pension benefit payments, including cost-of-living adjustments, to certain former employees of the City who had been members of the City's police and fire departments ("City Pension Plan"), was less than sixty percent (60%) funded, and therefore had reached "critical status" under R.I. Gen. Laws § 45-65-4;

WHEREAS, on March 19, 2013, as part of the implementation of a five-year deficit reduction plan, the WBC adopted a Resolution to Reform Pension and Post-Retirement Benefits ("Retiree Reform Resolution"), attached as Exhibit A;

WHEREAS, certain Retiree Parties are members of and receive benefits under the City Pension Plan ("Pension Retirees"), the terms of which are set forth under the collective bargaining agreements that controlled upon the Pension Retirees' respective dates of retirement;

WHEREAS, all Retiree Parties receive medical insurance benefits through the City, the terms of which are set forth in the collective bargaining agreements that controlled upon the Retiree Parties' respective dates of retirement;

WHEREAS, the Retiree Reform Resolution provides for the suspension of the cost-of-living adjustments otherwise applied on behalf of those Pension Retirees entitled to such adjustments under the collective bargaining agreements that controlled upon their respective dates of retirement, and implements changes to the terms and conditions of medical insurance benefits provided to the Retiree Parties;

WHEREAS, the Association and the Retiree Parties could challenge these changes by asserting certain claims and/or invoking certain rights under state and federal law, and by seeking to compel the City to adhere to the terms and conditions set forth in the collective bargaining agreements that controlled upon the Retiree Parties' respective dates of retirement;

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WHEREAS, if the Association or the Retiree Parties were to assert such claims or invoke such rights, the City/WBC would deny the validity or enforceability of such claims or rights, the result of which would be a dispute among the Parties over the lawfulness of the changes implemented under the Retiree Reform Resolution and any subsequent amendments thereto ("Pension and Medical Insurance Dispute"), which dispute would likely lead to costly and time-consuming litigation to the detriment of all Parties;

WHEREAS, the City/WBC and the Association desire to avoid and terminate this Pension and Medical Insurance Dispute, including a potential action that the Association and/or the Retiree Parties might bring to compel the City to adhere to the cost-of-living adjustments to be applied to pension benefit payments paid to the Pension Retirees and to the terms and conditions of the medical insurance benefits to be provided to the Retiree Parties, as set forth in the collective bargaining agreements that controlled upon the Retiree Parties' respective dates of retirement, and to assure one another that no legal action will result relating to the Pension and Medical Insurance Dispute;

WHEREAS, the City/WBC desires that the Association and the Retiree Parties discharge forever, subject to the terms set forth below, all claims, demands, liabilities and causes of action relating to the Pension and Medical Insurance Dispute that the Association and the Retiree Parties may have against the City/WBC, and which have occurred or arisen from the beginning of time through the effective date of this Memorandum of Agreement;

WHEREAS, the Association and its Retiree Parties do not concede that any actions taken by the WBC and/or the City with regard to implementing changes to the Retiree Parties' and Pension Parties' pension and medical benefits were necessary or in accordance with state and/or federal law;

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WHEREAS, the Association and its Retiree Parties desire to settle this matter to avoid costly litigation and mitigate any adverse impact on the City's fisc related thereto;

WHEREAS, the Parties agree that this Memorandum of Agreement is the result of a compromise, reached after good faith negotiations, and that it has been reviewed by counsel of each Party's choice, and that it is not and shall never at any time, for any purpose, be considered an admission of the validity or enforceability of any claims or rights of the Association or the Retiree Parties, or of liability or unlawful conduct by the WBC or the City:

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to be legally bound as follows:

1. Incorporation. The foregoing recitals are a part of this Memorandum of Agreement and hereby incorporated by reference.
2. Cost-of-Living Adjustment. Upon the effective date of this Memorandum of Agreement, the WBC shall adopt a Resolution directing that within one-hundred-and-twenty (120) days of such adoption, the City shall make payment to each eligible Pension Retiree (which does not include surviving spouses or any beneficiaries) in an amount that results from application of a compounded two-percent (2%) cost-of-living adjustment to the pension benefit payment that the Pension Retiree actually received as of July 1, 2014, which adjustment shall be applicable to all pension benefit payments made in fiscal year 2015 (July 1, 2014 – June 30, 2015). Thereafter, the City shall make payment of a compounded two-percent (2%) cost-of-living adjustment to pension benefit payments to the Pension Retirees eligible for such adjustment (which does not include surviving spouses or any beneficiaries) for fiscal year 2017

As
amended
by
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12/23/14

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(effective July 1, 2016); fiscal year 2019 (effective July 1, 2018); fiscal year 2021 (effective July 1, 2020), fiscal year 2023 (effective July 1, 2022), and then for each fiscal year thereafter. The Resolution shall further provide that:

- a. The City shall review experience studies performed by the City's actuary to determine if the mortality table utilized in the valuations is the appropriate mortality table for the police and fire members, and their beneficiaries.
- b. When the annual actuarial valuation of the City Pension Plan discloses, based upon prudent assumptions consistent with actuarial standards, which analysis includes the review as provided for in subsection 2(a) above, that the City Pension Plan has achieved a funding level of eighty percent (80%) or greater, and when the City's actuary further determines that granting a three-percent (3%) compounded cost-of-living adjustment for all future years of the City Pension Plan shall not result in the projected funding level falling below eighty percent (80%), then for each fiscal year thereafter, the City shall apply and make payment of a three-percent (3%) compounded cost-of-living adjustment to the Retiree Parties entitled to such cost-of-living adjustment, which does not include surviving spouses or any beneficiaries.
- c. When the annual actuarial valuation of the City Pension Plan discloses that the City Pension Plan has achieved a funding level of between seventy-five-percent (75%) and seventy-nine-percent (79%), then the City, by and through the Mayor or his or her designee, shall meet and confer with City Pension Plan members and their representatives, as is feasible, including those who are represented by the Association, to determine if restoring the three-percent

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(3%) compounded cost-of-living adjustment is feasible and fiscally prudent, after taking into account the actuarial cost and impact of such action on all future years of the City Pension Plan.

- d. The Association shall receive an Annual Funding Notice, which shall provide information about the status of the City Pension Plan, including funding and investment policies, in the form reflected in Exhibit B, attached hereto.
- e. If the City is found by a court of competent jurisdiction to have breached the terms of section (2), by failing to make payment of a two-percent (2%) or three-percent (3%) cost-of-living adjustment under the terms and conditions set forth in that section, then the City shall be responsible to pay reasonable attorneys' fees to the Association, in an amount not exceeding Twenty-Five-Thousand-Dollars-And-No-Cents (\$25,000.00), provided that the Association shall make a good faith effort to resolve any claim of breach prior to initiating court action.

3. Lump-Sum Payment. Within thirty (30) days of the effective date of this

Memorandum of Agreement, the City shall make a single, one-time lump sum

payment to the Association in the amount of Ten-Thousand-Dollars-And-No-Cents (\$10,000.00), to be used and apportioned among Association members in whatever manner the Association determines is in the interest of the organization. The Association shall be responsible for making any and all tax payments in accordance with law.

4. Early Retirees: Medical Insurance Plans. Upon the effective date of this Memorandum of Agreement, the WBC shall adopt a Resolution that provides that effective July 1,

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City of Woonsocket
Rhode Island

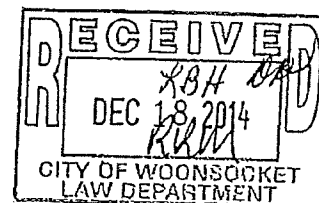


MARCH 13 A.D. 2013

Resolution

RESOLUTION TO REFORM PENSION AND POST-RETIREMENT BENEFITS

- WHEREAS, The City of Woonsocket ("City") is confronting a fiscal crisis so severe that it poses an imminent danger to the safety of the citizens of the City; and
- WHEREAS, Over the past ten years, the City has attempted to resolve the chronic nature of this fiscal crisis by taking such measures as: (1) borrowing over \$100 million through issuance of pension obligation and deficit reduction bonds; (2) cutting personnel costs; (3) deferring capital expenditures; (4) closing public schools; and (4) obtaining concessions from employees; and
- WHEREAS, Despite these and other efforts, the fiscal situation confronting the City has remained so dire that the state Director of Revenue appointed a fiscal overseer, and then a budget commission, in accordance with R.I. Gen. Laws §§ 45-9-3 & 5, for the purpose of prescribing a balanced budget and achieving fiscal stability in the City; and
- WHEREAS, Shortly after its appointment in May 2012, the budget commission was compelled to take immediate and short-term emergency measures to ensure that the City was able to pay its delinquent bills to vendors; and
- WHEREAS, The budget commission thereafter reviewed the City's finances to develop a five-year plan ("Baseline"); and
- WHEREAS, This Baseline, which projects City budgets from fiscal year 2013 through fiscal year 2017, shows that if nothing changes, the City will be confronting a cumulative deficit of \$105.5 million by the end of fiscal year 2017, which amount includes monies for the payment of present and future post-employment benefits other than pensions; and
- WHEREAS, Based on the actuarial valuation report for the plan year beginning on July 1, 2012, the City fire and police pension plans had an unfunded accrued liability of \$42.6 million, and therefore only fifty-seven (57%) of the amount needed to pay out projected benefits; and
- WHEREAS, If nothing changes, the pension plans will have insufficient funds to make any benefit payments to retirees within approximately eight years; and
- WHEREAS, This underfunding of the City's pension plans places them in "critical status" under R.I. Gen. Laws § 45-65-4, and requires that, under R.I. Gen. Laws § 45-65-6(2), the City submit a reasonable alternative funding improvement plan to the state study commission established under R.I. Gen. Laws § 45-65-8; and
- WHEREAS, Based on actuarial valuations of the post-retirement medical insurance plans for the City employees and retirees (including retirees from the Woonsocket Education Department), as of July 1, 2011, the plans had an unfunded accrued liability of \$200.7 million, and an annual required contribution of \$20 million; and
- WHEREAS, The City cannot make the \$20 million annual required contribution as set forth in these actuarial valuations without incurring the debt projected by the Baseline, which debt would render the City inoperable, and require appointment of a receiver under R.I. Gen. Laws § 45-9-7; and
- WHEREAS, The budget commission has proposed a five-year deficit reduction plan ("5-Year Plan"), that takes into account and ensures payment of both pension and other post-employment benefits to retirees; and
- WHEREAS, This 5-Year Plan, if implemented, will (1) enable the City to achieve a positive operating balance by the end of fiscal year 2014, and a positive fund balance (including the accounting for other



SECTION 5

Absent agreement to the contrary between the Budget Commission and retirees/representatives, all health insurance benefits currently provided to retirees of the City (including but not limited to those formerly employed by the Woonsocket Education Department), and their beneficiaries, who are not yet eligible or who are ineligible for Medicare benefits shall change, effective July 1, 2013, to a standard health plan ("Uniform Health Plan") for all City employees and retirees and their beneficiaries, other than those eligible for Medicare, and the City shall cover eighty percent (80%) of the cost, and the retiree, twenty (20%) of the cost of such Uniform Health Plan, provided that those retirees who are ineligible for Medicare must provide proof of ineligibility through a written letter of denial from the federal government by no later than March 28, 2013.

SECTION 6

This Resolution shall take effect immediately upon its passage by the City Council.

John F. Ward
John F. Ward, City Council President
Per Request of Administration

IN CITY COUNCIL March 13, 2013 – Read by title, amended and passed as amended.

SECTION 3. As a condition of receiving or continuing to receive health care benefits, all individuals who have retired or retire from City, and their beneficiaries, who become eligible for Medicare in the future (collectively "Future Medicare-Eligible Retirees and Beneficiaries"), shall enroll in Medicare on the date upon which they become eligible. Irrespective of whether Future Medicare-Eligible Retirees and Beneficiaries enroll in Medicare, all health benefits provided to Future Medicare-Eligible Retirees and Beneficiaries shall end on the June 30th date that concludes the fiscal year during which they have attained eligibility last day of the month during which each Future Medicare-Eligible Retiree and Beneficiary first becomes eligible to receive Medicare coverage, except that those who retired and are eligible to receive benefits under a pre-existing collective bargaining agreement that provides Medicare Supplement Insurance shall be provided such coverage; and

Amended and passed by the Woonsocket Budget Commission – March 19, 2013

Amendments:

The third "Whereas" paragraph is amended as follows:

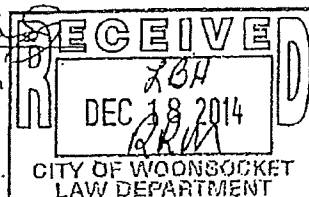
Despite these and other efforts, the fiscal situation confronting the City has remained so dire that the state Director of Revenue appointed a ~~fiscal overseer~~, and then a budget commission, at the request of the City Council, in accordance with R.I. Gen. Laws §§ 45-9-3 to 5, for the purpose of presenting a balanced budget and achieving fiscal stability in the City; and

The eleventh "Whereas" paragraph is amended as follows:

The City cannot make the \$20 million annual required contribution as set forth in these actuarial valuations without incurring the ~~debt deficit~~ projected by the Baseline, which ~~debt deficit~~ would render the City inoperable, and would likely require appointment of a receiver under R.I. Gen. Laws § 45-9-7; and

William Sequino
William Sequino, Jr., Chairman
Woonsocket Budget Commission

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12/23/14



ANNUAL FUNDING NOTICE

For

[insert name of pension plan]

Introduction

This notice includes important information about the funding status of your pension plan ("the Plan"), as well as other information such as participant information and funding and investment policies. All locally-administered pension plans must provide this notice every year regardless of their funded status. This notice is provided for informational purposes and you are not required to respond in any way. As a plan member, you are responsible for providing the plan sponsor with your current address and contact information at all times. This notice is for the plan year beginning [insert beginning date] and ending [insert ending date] ("Plan Year").

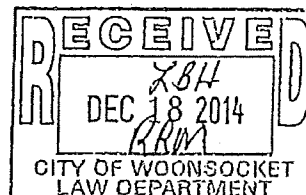
How Well Funded Is Your Plan

[Under Rhode Island law], the plan must report how well it is funded by using a measure called the "funded ratio." This percentage is obtained by dividing the Plan's Assets by Plan Liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan's funded ratio percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period. In addition, the required funding payment and the planned contribution for the plan year, as well as the required funded payment and actual payments for the two preceding plan years are shown, along with the funded percentage for each year.

Summary of Key Valuation, Funding and Investment Data			
	[Insert plan year- most recent]	[Insert plan year - preceding]	[Insert plan year - 2 years preceding]
1 Valuation date	[xx/xx/xx]	[xx/xx/xx]	[xx/xx/xx]
2 Plan assets	[amount]	[amount]	[amount]
3 Plan liabilities	[amount]	[amount]	[amount]
4 Funded ratio	[=line2/line3]	[=line2/line3]	[=line2/line3]
5 Actuarially determined contribution	[amount]	[amount]	[amount]
6a. Funding from general fund	[amount]	[amount]	[amount]
6b. Funding from non-general fund	[amount]	[amount]	[amount]
6 Total funding	[amount]	[amount]	[amount]
7 Planned/actual payment	[amount]	[amount]	[amount]
8 Percentage contributed	[line7/line 5]	[line7/line 5]	[line7/line 5]
9 Money weighted rate of return	[percentage]	[percentage]	[percentage]

Summary of Key Values

2014
12/23/14



Plan Assets and Plan Liabilities; Contributions and Rate of Return

Total Plan Assets is the value of the Plan's assets on the Valuation Date (see line 2 in the chart above). Plan Liabilities shown in line 3 of the chart above is the amount the Plan needs on the Valuation Date to pay for promised benefits under the plan. The actual contribution and money weighted return on investments in accordance with GASB 67 are also shown.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date was [insert number]. Of this number, [insert number] were active participants, [insert number] were retired or separated from service and receiving benefits, and [insert number] were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for promised benefits. The funding policy of the Plan is [insert a summary statement of the Plan's funding policy].

Once money is contributed to the Plan, the money is invested by plan officials, called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is [insert a summary statement of the Plan's investment policy].

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

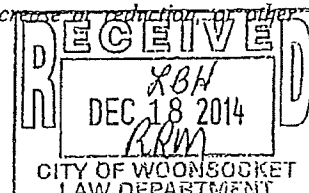
Asset Allocation	Percentage
1. Cash (interest bearing and non-interest bearing)	_____
2. U. S. Government securities	_____
3. Specify	_____
4. Specify	_____

For information about the plan's investment in any of the investments described in the chart above, contact: [insert the name, telephone number, email address or mailing address of the designated municipal representative].

Events Having a Material Effect on Assets or Liabilities

[State law] requires the plan administrator to provide in this notice a written explanation of events, taking effect in the current or future plan years, which are expected to have a material effect on plan liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan's funding condition. For example, changes made to the actuarial assumptions should be included as well as events expected to increase or decrease total plan assets or plan liabilities by five percent or more. For the plan year beginning on [insert the first day of the current plan year (i.e., the year after the notice year)] and ending on [insert the last day of the current plan year], the following events are expected to have such an effect: [insert explanation of any plan amendment, scheduled benefit increase or reduction, or other]

12/23/14



known event taking effect in the current plan year and having a material effect on plan liabilities or assets for the year, as well as a projection to the end of the current plan year of the effect of the amendment, scheduled increase or reduction, or event on plan liabilities].

Right to Request a Copy of the Annual Report

A plan sponsor is required to file valuation and experience reports for the plan. Copies of the reports are available from the Department of Revenue, Division of Municipal Finance (DMF), One Capitol Hill, Providence, RI 02903, or by visiting the DMF website at www.municipalfinance.ri.gov. For 2012 and subsequent plan years, you may obtain an electronic copy of the plan's valuation report by going to this website or you may obtain a copy by making a written request to the plan administrator. *[If the Plan's annual report is available on an Intranet website maintained by the plan sponsor (or plan administrator on behalf of the plan sponsor), modify the preceding sentence to include a statement that the annual report also may be obtained through that website and include the website address.]* Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under "Where to Get More Information." Also, audited financial statements contain plan information in the footnotes and can be viewed on the DMF website link shown above.

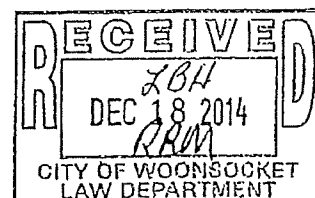
Actuarial Information on File with the Division of Municipal Finance

Pursuant to R.I. General Laws §45-65-6 a plan sponsor must provide actuarial information about the plan under certain circumstances, such as when the funded percentage of the plan falls below 60 percent. The sponsor of the Plan, *[enter name of plan sponsor]*, is subject to this requirement to provide plan actuarial information. The DMF uses this information for oversight and monitoring purposes.

Where to Get More Information

For more information about this notice, you may contact *[enter name of plan administrator]*, at *[enter phone number and address and insert email address if appropriate]*. For more information about the DMF, go to DMF's website, www.municipalfinance.ri.gov. Note that audited financial statements will also provide additional information. Audited financial statements can be accessed on DMF's website.

W.D.
12/23/14



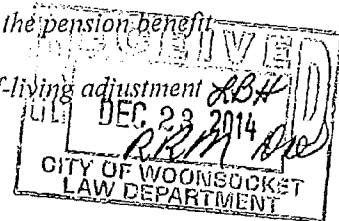
**AMENDMENT TO MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF
WOONSOCKET, BY AND THROUGH THE WOONSOCKET BUDGET
COMMISSION, AND THE ASSOCIATION OF RETIRED WOONSOCKET
FIREFIGHTERS ON BEHALF OF ITS RETIREE MEMBERS AND BENEFICIARIES**

The Parties hereby execute this Amendment to the Memorandum of Agreement signed on December 18, 2014, by the City through its Mayor, the Honorable Lisa Baldelli-Hunt, and by the Retiree Parties, through Rene R. Menard, President of the Association of Retired Woonsocket Firefighters ("MOA"). The purpose of this Amendment is to ensure that the language in the MOA conforms to comparable provisions in the Memorandum of Agreement between the City of Woonsocket, by and through the Woonsocket Budget Commission, and the Fraternal Order of Police, Lodge #51, on Behalf of its Retiree Members and Beneficiaries. Except as set forth below, all provisions in the MOA shall be fully incorporated herein and remain unchanged and controlling:

1. Paragraph 2 on pages 5 through 6 shall be replaced with the language in italics below, which shall become paragraph 2 and subparagraphs 2(a) and 2(b), and subparagraphs (a) through (e) shall be renumbered subparagraphs (c) through (g):

"Cost of Living Adjustment. Upon the effective date of this Memorandum of Agreement, the WBC shall adopt a Resolution directing as follows:

- a. *Within one-hundred-and-twenty (120) days of adoption of the Resolution, the City shall make a compounded two-percent (2%) cost-of-living adjustment payment to each eligible Pension Retiree (which does not include surviving spouses or any beneficiaries). The 2% adjustment shall be applied to the pension benefit that the Pension Retiree actually received as of July 1, 2014 and not the pension benefit that the Pension Retiree would have received had the cost-of-living adjustment*



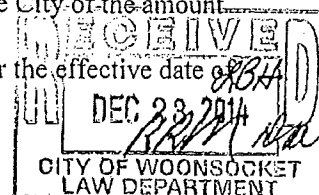
December 23, 2014

not been suspended under the Retiree Reform Resolution (adopted on March 19, 2013), and shall be applicable to all pension benefit payments made in fiscal year 2015 (July 1, 2014 – June 30, 2015).

b. *Thereafter, the City shall pay to eligible Pension Retirees (which do not include surviving spouses or any beneficiaries), cost-of-living adjustments (hereinafter "COLA") in accordance with the following schedule:*

- i. *A compounded two (2%) percent COLA for fiscal year 2015 (effective July 1, 2014);*
- ii. *A compounded two (2%) percent COLA for fiscal year 2017 (effective July 1, 2016);*
- iii. *A compounded two (2%) percent COLA for fiscal year 2019 (effective July 1, 2018);*
- iv. *A compounded two (2%) percent COLA for fiscal year 2021 (effective July 1, 2020);*
- v. *A compounded two (2%) percent COLA for fiscal year 2023 (effective July 1, 2022);*
- vi. *and then for each fiscal year thereafter, subject to the subparagraphs (d) and (e) below."*

2. The first sentence in paragraph 9 shall be modified to reflect the following change indicated in italics: "Any Retiree Party who, as of the effective date of this Agreement, owes the City monies under paragraphs 5 through 8, after offset for any applicable overpayment made since July 1, 2014, shall make full payment to the City of the amount outstanding by no later than *one-hundred and twenty (120) days* after the effective date of the



December 23, 2014

this Memorandum of Agreement; if he or she fails to make payment by that date, then the City shall terminate his or her medical insurance in accordance with the WBC Resolution Regarding Termination and Reinstatement of Health Insurance for Retirees, adopted on September 23, 2013 ("Resolution for Coverage Termination"), which is incorporated hereto as Exhibit H."

3. The phrase "from beginning of time," which appears in the tenth Recital on page 4, and in paragraph 12 on page 16, shall be replaced with the phrase "*since May 1, 2012.*"
4. The following clause in italics shall be added to paragraph 13 on page 17: "*except that if the Retiree Parties are compelled by subpoena to appear in an administrative or judicial proceeding such appearance shall not constitute a violation of this provision.*"
5. The following clause in italics shall be added to paragraph 17 on page 18: "*and the United States and Rhode Island Constitutions.*"

The City of Woonsocket,
By: The Honorable Lisa Baldelli-Hunt, Mayor

Lisa Baldelli-Hunt

Date: 12.23.14

The Woonsocket Budget Commission
By: Dina Dutremble, Chair

Dina Dutremble

Date: 12/23/14

The Association of Retired Woonsocket Firefighters
On behalf of the Association and the Retiree Parties
Listed in Attachment 1
By: Rene R. Menard, President

Rene R. Menard

Date: 12-23-14

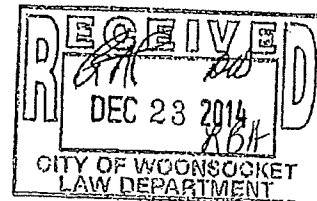
DEC 23 2014
CITY OF WOONSOCKET
LAW DEPARTMENT

Police MOA

**MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF WOONSOCKET, BY
AND THROUGH THE WOONSOCKET BUDGET COMMISSION, AND THE
FRATERNAL ORDER OF POLICE, LODGE #51, ON BEHALF OF ITS RETIREE
MEMBERS AND BENEFICIARIES**

This Memorandum of Agreement is between and among the City of Woonsocket ("City"), by and through the Woonsocket Budget Commission ("WBC"), on the one hand, and the Fraternal Order of Police, Lodge #51 ("Lodge 51"), on behalf of its members and beneficiaries ("Retiree Parties"), listed hereto on Attachment 1, on the other. Hereafter the City/WBC and Lodge 51 shall be referred to collectively as the "Parties." As used at all times in this Memorandum of Agreement:

- "WBC" refers to the Woonsocket Budget Commission, which is established in accordance with R.I. Gen. Laws § 45-9-6, and its agents, employees and representatives, including: (1) its present and former members; (2) the Director of the Rhode Island Department of Revenue; and (3) any and all staff from the Department of Revenue or elsewhere who are employed, retained, or appointed to carry out the responsibilities of the WBC;
- "City" refers to the City of Woonsocket, a municipality of the State of Rhode Island, and its agents, employees, and representatives;
- "City Pension Plan" refers to the locally administered fund that is used to make pension benefit payments, including cost-of-living adjustments, to certain former employees of the City who were members of the City's police and fire departments;
- "Lodge 51" refers to the Fraternal Order of Police, Lodge #51, a non-profit corporation representing certain former police officers of the Woonsocket Police Department, and their beneficiaries, and its agents, employees, representatives, successors and/or assigns;

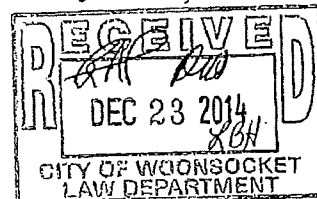


- “Medical Insurance” refers to the insurance coverage provided by the City to Retiree Parties for costs incurred by the Retiree Parties in the course of receiving treatment or services for medical reasons, such as illness or injury, with the exclusion of treatment or services for dental care, which are typically insured through dental insurance plans.
- “Pension and Medical Insurance Dispute” refers to the dispute among the WBC and the City, and the Lodge regarding the lawfulness of the changes implemented by the WBC pursuant to the “Resolution to Reform Pension and Post-Retirement Benefits” adopted by the WBC on March 19, 2013, and any subsequent amendments thereto;
- “Pension Retirees” refers to members of the City Pension Plan, and their beneficiaries, including spouses and surviving spouses, who receive benefits under the City Pension Plan in accordance with the terms set forth in the collective bargaining agreement under which the Pension Retiree retired; and
- “Retiree Parties” refers to the members of Lodge 51 who retired from the City on or before June 30, 2013, and their beneficiaries, including spouses and surviving spouses, covered under and receiving benefits through their participation in the City Pension Plan as Pension Retirees and/or through their participation in the City’s medical insurance plans.

RECITALS

WHEREAS, in May 2012, the Rhode Island Director of the Department of Revenue appointed a budget commission, at the request of the City Council, in accordance with R.I. Gen. Laws § 45-9-5;

WHEREAS, as of July 1, 2012, the “City Pension Plan”, was less than sixty percent (60%) funded, and therefore had reached “critical status” under R.I. Gen. Laws § 45-65-4;



WHEREAS, on March 19, 2013, as part of the implementation of a five-year deficit reduction plan, the WBC adopted a Resolution to Reform Pension and Post-Retirement Benefits ("Retiree Reform Resolution"), attached as Exhibit A.

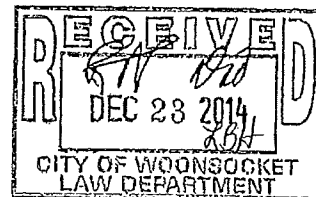
WHEREAS, certain Retiree Parties are also Pension Retirees and thus receive benefits under the City Pension Plan;

WHEREAS, all Retiree Parties receive medical insurance benefits through the City, the terms of which are set forth in the collective bargaining agreements that controlled upon Pension Retirees' respective dates of retirement;

WHEREAS, the Retiree Reform Resolution provides for the suspension of the cost-of-living adjustments otherwise applied on behalf of those Pension Retirees entitled to such adjustments under the collective bargaining agreements that controlled upon their respective dates of retirement, and implements changes to the terms and conditions of medical insurance benefits provided to the Retiree Parties;

WHEREAS, Lodge 51 and the Retiree Parties could challenge these changes by asserting certain claims and/or invoking certain rights under state and federal law, and by seeking to compel the City to adhere to the terms and conditions set forth in the collective bargaining agreements that controlled upon Retiree Parties' respective dates of retirement;

WHEREAS, if Lodge 51 or the Retiree Parties were to assert such claims or invoke such rights, the City would deny the validity or enforceability of such claims or rights, the result of which would be a dispute among the Parties over the lawfulness of the changes implemented under the Retiree Reform Resolution and any subsequent amendments thereto ("Pension and Medical Insurance Dispute"), which dispute would likely lead to costly and time-consuming litigation to the detriment of all Parties;



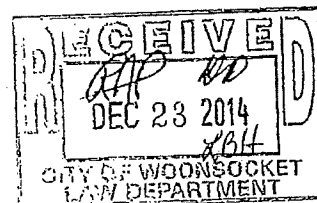
WHEREAS, the City/WBC and Lodge 51 desire to avoid and terminate this Pension and Medical Insurance Dispute, including a potential action that Lodge 51 and/or the Retiree Parties might bring to compel the City to adhere to the cost-of-living adjustments to be applied to pension benefit payments paid to the Pension Retirees and to the terms and conditions of the medical insurance benefits to be provided to the Retiree Parties, as set forth in the collective bargaining agreements that controlled upon Retiree Parties' respective dates of retirement, and to assure one another that no legal action will result relating to the Pension and Medical Insurance Dispute;

WHEREAS, the City/WBC desires that Lodge 51 and the Retiree Parties discharge forever, subject to the terms set forth below, all claims, demands, liabilities and causes of action relating to the Pension and Medical Insurance Dispute that Lodge 51 and the Retiree Parties may have against the WBC and the City, and which have occurred or arisen since May 1, 2012 through the effective date of this Memorandum of Agreement;

WHEREAS, Lodge 51 and its Retiree Parties do not concede that any actions taken by the WBC and/or the City with regard to implementing changes to the Retiree Parties' and Pension Parties' pension and medical benefits were necessary or in accordance with state and/or federal law;

WHEREAS, Lodge 51 and its Retiree Parties desire to settle this matter to avoid costly litigation and mitigate any adverse impacts on the City's fisc related thereto;

WHEREAS, the Parties agree that this Memorandum of Agreement is the result of a compromise, reached after good faith negotiations, and that it has been reviewed by counsel of each Party's choice, and that it is not and shall never at any time, for any purpose, be considered



an admission of the validity or enforceability of any claims or rights of Lodge 51 or the Retiree Parties, or of liability or unlawful conduct by the WBC or the City.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to be legally bound as follows:

1. Incorporation. The foregoing recitals are a part of this Memorandum of Agreement and hereby incorporated by reference.

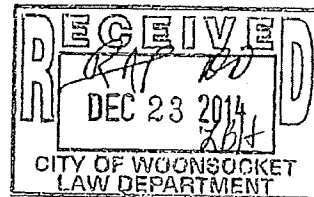
2. Cost-of-Living Adjustment. Upon the effective date of this Memorandum of Agreement, the WBC shall adopt a Resolution directing as follows:

As
amended by
Exhibit (5)

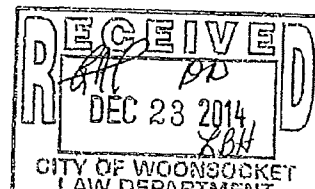
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RAP 12-23-14
RBH 12-23-14

a. Within one-hundred-and-twenty (120) days of adoption of the Resolution, the City shall make a compounded two-percent (2%) cost-of-living adjustment payment to each eligible Pension Retiree (which does not include surviving spouses or any beneficiaries). The 2% adjustment shall be applied to the pension benefit that the Pension Retiree actually received as of July 1, 2014 and not the pension benefit that the Pension Retiree would have received had the cost-of-living adjustment not been suspended under the Retiree Reform Resolution (adopted on March 19, 2013), and shall be applicable to all pension benefit payments made in fiscal year 2015 (July 1, 2014 – June 30, 2015).

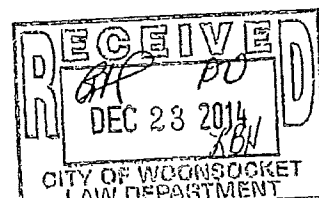
b. Thereafter, the City shall pay to eligible Pension Retirees (which do not include surviving spouses or any beneficiaries), cost-of-living adjustments (hereinafter "COLA") in accordance with the following schedule:



- i. A compounded two (2%) percent COLA for fiscal year 2015 (effective July 1, 2014);
 - ii. A compounded two (2%) percent COLA for fiscal year 2017 (effective July 1, 2016);
 - iii. A compounded two (2%) percent COLA for fiscal year 2019 (effective July 1, 2018);
 - iv. A compounded two (2%) percent COLA for fiscal year 2021 (effective July 1, 2020), and for each fiscal year thereafter, subject to the subparagraphs (d) and (e) below.
- c. The City shall review experience studies performed by the City's actuary to determine if the mortality table utilized in the valuations is the appropriate mortality table for the police and fire members, and their beneficiaries.
- d. When the annual actuarial valuation of the City Pension Plan discloses, based upon prudent assumptions consistent with actuarial standards, which analysis includes the review as provided for in subsection 2(c) above, that the City Pension Plan has achieved a funding level of eighty percent (80%) or greater, and when the City's actuary further determines that granting a three-percent (3%) compounded cost-of-living adjustment for all future years of the City Pension Plan shall not result in the projected funding level falling below eighty percent (80%), then for each fiscal year thereafter, the City shall apply and make payment of a three-percent (3%) compounded cost-of-living adjustment to the payments to Retiree Parties entitled to such cost-of-living adjustment (which does not include surviving spouses or any beneficiaries).

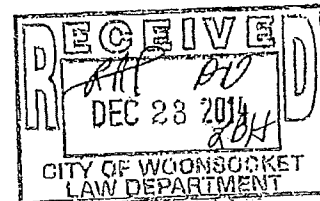


- e. When the annual actuarial valuation of the City Pension Plan discloses that the City Pension Plan has achieved a funding level of between seventy-five-percent (75%) and seventy-nine-percent (79%), then the City, by and through the Mayor or his or her designee, shall meet and confer with City Pension Plan members and their representatives, as is feasible, including those who are represented by Lodge 51, to determine if restoring the three-percent (3%) compounded cost-of-living adjustment is feasible and fiscally prudent, after taking into account the actuarial cost and impact of such action on all future years of the City Pension Plan.
 - f. Lodge 51 shall receive an Annual Funding Notice, which shall provide information about the status of the City Pension Plan, including funding and investment policies, in the form reflected in Exhibit B, attached hereto.
 - g. If the City is found by a court of competent jurisdiction to have breached the terms of section (2), by failing to make payment of a two-percent (2%) or three-percent (3%) cost-of-living adjustment under the terms and conditions set forth in that section, then the City shall be responsible to pay reasonable attorneys' fees to Lodge 51, in an amount not exceeding Twenty-Five-Thousand-Dollars-And-No-Cents (\$25,000.00), provided that Lodge 51 shall make a good faith effort to resolve any claim of breach prior to initiating court action.
3. Lump-Sum Payment. Within thirty (30) days of the effective date of this Memorandum of Agreement, the City shall make a single, one-time lump sum payment to Lodge 51 in the amount of Ten-Thousand-Dollars-And-No-Cents



(\$10,000.00), to be used and apportioned among Lodge 51 members in whatever manner that Lodge 51 determines is in the interest of the organization. Lodge 51 shall be responsible for making any and all tax payments in accordance with law.

4. Early Retirees-Medical Insurance Plans. Upon the effective date of this Memorandum of Agreement, the WBC shall adopt a Resolution, that provides as follows:
- a. Effective July 1, 2013, all Retiree Parties who have not reached sixty-five (65) years of age (hereafter "Early Retirees/Beneficiaries"), shall have the option of choosing one of the two following forms of coverage:
 - i. Option 1: 100/80 coinsurance plan with deductible of \$500/\$1,000 (summary plan description attached as Exhibit C) or
 - ii. Option 2: 100/80 coinsurance plan with deductible of \$2,000/\$4,000 (summary plan description attached as Exhibit D)The summaries of benefits and coverage, and their terms and conditions, attached hereto as Exhibit C and Exhibit D are incorporated by reference.
 - b. Early Retirees/Beneficiaries shall be entitled to one individual plan or one family plan in accordance with the eligibility requirements set forth in the collective bargaining agreement under which the individual Early Retiree retired.
 - c. Early Retirees/Beneficiaries shall be permitted to change their medical insurance plans between Option 1 and Option 2 during open enrollment



13 R 34.

City of Woonsocket
Rhode Island

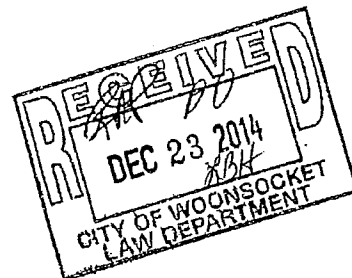


MARCH 13 A.D. 2013

Resolution

RESOLUTION TO REFORM PENSION AND POST-RETIREMENT BENEFITS

- WHEREAS, The City of Woonsocket ("City") is confronting a fiscal crisis so severe that it poses an imminent danger to the safety of the citizens of the City; and
- WHEREAS, Over the past ten years, the City has attempted to resolve the chronic nature of this fiscal crisis by taking such measures as: (1) borrowing over \$100 million through issuance of pension obligation and deficit reduction bonds; (2) cutting personnel costs; (3) deferring capital expenditures; (4) closing public schools; and (4) obtaining concessions from employees; and
- WHEREAS, Despite these and other efforts, the fiscal situation confronting the City has remained so dire that the state Director of Revenue appointed a fiscal overseer, and then a budget commission, in accordance with R.I. Gen. Laws §§ 45-9-3 & 5, for the purpose of presenting a balanced budget and achieving fiscal stability in the City; and
- WHEREAS, Shortly after its appointment in May 2012, the budget commission was compelled to take immediate and short-term emergency measures to ensure that the City was able to pay its delinquent bills to vendors; and
- WHEREAS, The budget commission thereafter reviewed the City's finances to develop a five-year plan ("Baseline"); and
- WHEREAS, This Baseline, which projects City budgets from fiscal year 2013 through fiscal year 2017, shows that if nothing changes, the City will be confronting a cumulative deficit of \$105.5 million by the end of fiscal year 2017, which amount includes monies for the payment of present and future post-employment benefits other than pensions; and
- WHEREAS, Based on the actuarial valuation report for the plan year beginning on July 1, 2012, the City fire and police pension plans had an unfunded accrued liability of \$42.6 million, and therefore only fifty-seven (57%) of the amount needed to pay out projected benefits; and
- WHEREAS, If nothing changes, the pension plans will have insufficient funds to make any benefit payments to retirees within approximately eight years; and
- WHEREAS, This underfunding of the City's pension plans places them in "critical status" under R.I. Gen. Laws § 45-65-4, and requires that, under R.I. Gen. Laws § 45-65-6(2), the City submit a reasonable alternative funding improvement plan to the state study commission established under R.I. Gen. Laws § 45-65-8; and
- WHEREAS, Based on actuarial valuations of the post-retirement medical insurance plans for the City employees and retirees (including retirees from the Woonsocket Education Department), as of July 1, 2011, the plans had an unfunded accrued liability of \$200.7 million, and an annual required contribution of \$20 million; and
- WHEREAS, The City cannot make the \$20 million annual required contribution as set forth in these actuarial valuations without incurring the debt projected by the Baseline, which debt would render the City inoperable, and require appointment of a receiver under R.I. Gen. Laws § 45-9-7; and
- WHEREAS, The budget commission has proposed a five-year deficit reduction plan ("5-Year Plan"), that takes into account and ensures payment of both pension and other post-employment benefits to retirees; and
- WHEREAS, This 5-Year Plan, if implemented, will (1) enable the City to achieve a positive operating balance by the end of fiscal year 2014, and a positive fund balance (including the accounting for other



SECTION 5 Absent agreement to the contrary between the Budget Commission and retiree representatives, all health insurance benefits currently provided to retirees of the City (including but not limited to those formerly employed by the Woonsocket Education Department), and their beneficiaries, who are not yet eligible or who are ineligible for Medicare benefits shall change, effective July 1, 2013, to a standard health plan ("Uniform Health Plan") for all City employees and retirees and their beneficiaries, other than those eligible for Medicare, and the City shall cover eighty percent (80%) of the cost, and the retiree, twenty (20%) of the cost of such Uniform Health Plan, provided that those retirees who are ineligible for Medicare must provide proof of ineligibility through a written letter of denial from the federal government by no later than March 28, 2013.

SECTION 6 This Resolution shall take effect immediately upon its passage by the City Council.

John F. Ward
John F. Ward, City Council President
Per Request of Administration

IN CITY COUNCIL March 18, 2013 - Read by title, amended and passed as amended.

SECTION 3. As a condition of receiving or continuing to receive health care benefits, all individuals who have retired or retire from City, and their beneficiaries, who become eligible for Medicare in the future (collectively "Future Medicare-Eligible Retirees and Beneficiaries"), shall enroll in Medicare on the date upon which they become eligible. Irrespective of whether Future Medicare-Eligible Retirees and Beneficiaries enroll in Medicare, all health benefits provided to Future Medicare-Eligible Retirees and Beneficiaries shall end on the ~~June 30th date that concludes the fiscal year during which they have attained eligibility~~ last day of the month during which each Future Medicare-Eligible Retiree and Beneficiary first becomes eligible to receive Medicare coverage, except that those who retired and are eligible to receive benefits under a pre-existing collective bargaining agreement that provides Medicare Supplement Insurance shall be provided such coverage; and

Amended and passed by the Woonsocket Budget Commission - March 19, 2013

Amendments:

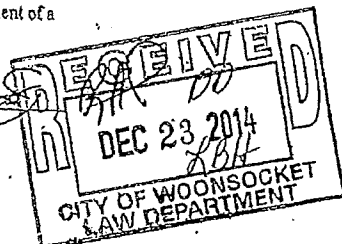
The third "Whereas" paragraph is amended as follows:

Despite these and other efforts, the fiscal situation confronting the City has remained so dire that the state Director of Revenue appointed a fiscal overseer, and then a budget commission, at the request of the City Council, in accordance with R.I. Gen. Laws §§ 45-9-3 to 5, for the purpose of presenting a balanced budget and achieving fiscal stability in the City; and

The eleventh "Whereas" paragraph is amended as follows:

The City cannot make the \$20 million annual required contribution as set forth in these actuarial valuations without incurring the debt ~~deficit~~ projected by the Baseline, which debt ~~deficit~~ would render the City inoperable, and would likely require appointment of a receiver under R.I. Gen. Laws §45-9-7; and

William Sequino, Jr.
William Sequino, Jr., Chairman
Woonsocket Budget Commission



ANNUAL FUNDING NOTICE

For

[insert name of pension plan]

Introduction

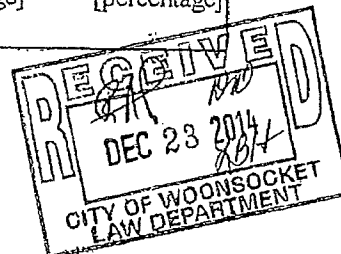
This notice includes important information about the funding status of your pension plan ("the Plan"), as well as other information such as participant information and funding and investment policies. All locally-administered pension plans must provide this notice every year regardless of their funded status. This notice is provided for informational purposes and you are not required to respond in any way. As a plan member, you are responsible for providing the plan sponsor with your current address and contact information at all times. This notice is for the plan year beginning [insert beginning date] and ending [insert ending date] ("Plan Year").

How Well Funded Is Your Plan

[Under Rhode Island law], the plan must report how well it is funded by using a measure called the "funded ratio." This percentage is obtained by dividing the Plan's Assets by Plan Liabilities on the Valuation Date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan's funded ratio percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period. In addition, the required funding payment and the planned contribution for the plan year, as well as the required funded payment and actual payments for the two preceding plan years are shown, along with the funded percentage for each year.

Summary of Key Valuation, Funding and Investment Data			
	(Insert plan year- most recent]	(Insert plan year - preceding	(Insert plan year - 2 years preceding]
1 Valuation date	[xx/xx/xx]	[xx/xx/xx]	[xx/xx/xx]
2 Plan assets	[amount]	[amount]	[amount]
3 Plan liabilities	[amount]	[amount]	[amount]
4 Funded ratio	[=line2/line3]	[=line2/line3]	[=line2/line3]
5 Actuarially determined contribution	[amount]	[amount]	[amount]
6a. Funding from general fund	[amount]	[amount]	[amount]
6b. Funding from non-general fund	[amount]	[amount]	[amount]
6 Total funding	[amount]	[amount]	[amount]
7 Planned/actual payment	[amount]	[amount]	[amount]
8 Percentage contributed	[line7/line 5]	[line7/line 5]	[line7/line 5]
9 Money weighted rate of return	[percentage]	[percentage]	[percentage]

Summary of Key Values



Plan Assets and Plan Liabilities, Contributions and Rate of Return

Total Plan Assets is the value of the Plan's assets on the Valuation Date (see line 2 in the chart above). Plan Liabilities shown in line 3 of the chart above is the amount the Plan needs on the Valuation Date to pay for promised benefits under the plan. The actual contribution and money weighted return on investments in accordance with GASB 67 are also shown.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date was *[insert number]*. Of this number, *[insert number]* were active participants, *[insert number]* were retired or separated from service and receiving benefits, and *[insert number]* were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out plan objectives. A funding policy relates to the level of assets needed to pay for promised benefits. The funding policy of the Plan is *[insert a summary statement of the Plan's funding policy]*.

Once money is contributed to the Plan, the money is invested by plan officials, called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is *[insert a summary statement of the Plan's investment policy]*.

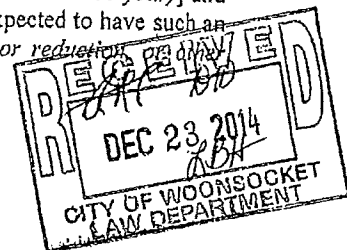
Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocation	Percentage
1. Cash (interest bearing and non-interest bearing)	_____
2. U. S. Government securities	_____
3. Specify	_____
4. Specify	_____

For information about the plan's investment in any of the investments described in the chart above, contact: *[insert the name, telephone number, email address or mailing address of the designated municipal representative]*.

Events Having a Material Effect on Assets or Liabilities

[State law] requires the plan administrator to provide in this notice a written explanation of events, taking effect in the current or future plan years, which are expected to have a material effect on plan liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan's funding condition. For example, changes made to the actuarial assumptions should be included as well as events expected to increase or decrease total plan assets or plan liabilities by five percent or more. For the plan year beginning on *[insert the first day of the current plan year (i.e., the year after the notice year)]* and ending on *[insert the last day of the current plan year]*, the following events are expected to have such an effect: *[insert explanation of any plan amendment, scheduled benefit increase or reduction]*



known event taking effect in the current plan year and having a material effect on plan liabilities or assets for the year, as well as a projection to the end of the current plan year of the effect of the amendment, scheduled increase or reduction, or event on plan liabilities).

Right to Request a Copy of the Annual Report

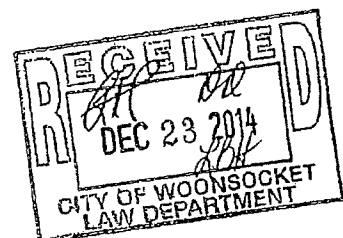
A plan sponsor is required to file valuation and experience reports for the plan. Copies of the reports are available from the Department of Revenue, Division of Municipal Finance (DMF), One Capitol Hill, Providence, RI 02903, or by visiting the DMF website at www.municipalfinance.ri.gov. For 2012 and subsequent plan years, you may obtain an electronic copy of the plan's valuation report by going to this website or you may obtain a copy by making a written request to the plan administrator. *[If the Plan's annual report is available on an Intranet website maintained by the plan sponsor (or plan administrator on behalf of the plan sponsor), modify the preceding sentence to include a statement that the annual report also may be obtained through that website and include the website address.]* Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under "Where to Get More Information." Also, audited financial statements contain plan information in the footnotes and can be viewed on the DMF website link shown above.

Actuarial Information on File with the Division of Municipal Finance

Pursuant to R.I. General Laws §45-65-6 a plan sponsor must provide actuarial information about the plan under certain circumstances, such as when the funded percentage of the plan falls below 60 percent. The sponsor of the Plan, *[enter name of plan sponsor]*, is subject to this requirement to provide plan actuarial information. The DMF uses this information for oversight and monitoring purposes.

Where to Get More Information

For more information about this notice, you may contact *[enter name of plan administrator]*, at *[enter phone number and address and insert email address if appropriate]*. For more information about the DMF, go to DMF's website, www.municipalfinance.ri.gov. Note that audited financial statements will also provide additional information. Audited financial statements can be accessed on DMF's website.



December 23, 2014

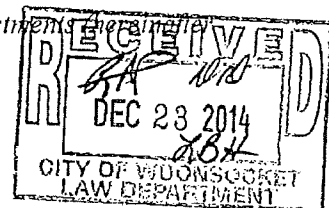
Exhibit J

AMENDMENT TO MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF
WOONSOCKET, BY AND THROUGH THE WOONSOCKET BUDGET
COMMISSION, AND THE FRATERNAL ORDER OF POLICE, Lodge #51, ON
BEHALF OF ITS RETIREE MEMBERS AND BENEFICIARIES

The Parties hereby execute this Amendment to the Memorandum of Agreement signed on December 23, 2014, by the City through its Mayor, the Honorable Lisa Baldelli-Hunt, and by the Retiree Parties, through Ronald Pennington, President of the Fraternal Order of Police, Lodge #51, Richard Flood, Michael Houle, and R. Bruce Maculan, Negotiating Team ("MOA"). The purpose of this Amendment is to correct an inadvertent error in Paragraph 2, which shall be amended to read as follows:

"Cost of Living Adjustment. Upon the effective date of this Memorandum of Agreement, the WBC shall adopt a Resolution directing as follows:

- a. Within one-hundred-and-twenty (120) days of adoption of the Resolution, the City shall make a compounded two-percent (2%) cost-of-living adjustment payment to each eligible Pension Retiree (which does not include surviving spouses or any beneficiaries). The 2% adjustment shall be applied to the pension benefit that the Pension Retiree actually received as of July 1, 2014 and not the pension benefit that the Pension Retiree would have received had the cost-of-living adjustment not been suspended under the Retiree Reform Resolution (adopted on March 19, 2013), and shall be applicable to all pension benefit payments made in fiscal year 2015 (July 1, 2014 – June 30, 2015).
- b. Thereafter, the City shall pay to eligible Pension Retirees (which do not include surviving spouses or any beneficiaries), cost-of-living adjustments hereinafter ("COLA") in accordance with the following schedule:



December 23, 2014

- i. A compounded two (2%) percent COLA for fiscal year 2015 (effective July 1, 2014);
- ii. A compounded two (2%) percent COLA for fiscal year 2017 (effective July 1, 2016);
- iii. A compounded two (2%) percent COLA for fiscal year 2019 (effective July 1, 2018);
- iv. A compounded two (2%) percent COLA for fiscal year 2021 (effective July 1, 2020);
- v. A compounded two (2%) percent COLA for fiscal year 2023 (effective July 1, 2022);
- vi. and then for each fiscal year thereafter, subject to the subparagraphs (d) and (e) below."

The City of Woonsocket,
By: The Honorable Lisa Baldelli-Hunt, Mayor

Lisa Baldelli-Hunt

Date: 12.23.14

The Woonsocket Budget Commission
By: Dina Dutremble, Chair

Dina Dutremble

Date: 12/23/14

The Fraternal Order of Police, Lodge #51
By Ronald Pennington, President

Ronald Pennington

Date: 12-23-14

Eric Bruce Macdonald

12-23-14
12-28-14

[Signature]

12-23-14

Attachment D

CITY OF WOONSOCKET, RHODE ISLAND FIREMEN'S PENSION FUND and POLICEMEN'S PENSION FUND

Option 2a.i.

Contribution Pattern: 100% funded in 16 years; Investment Return: 7.50%; No COLA all future years
RP2000 Mortality Table, projected to 2010 and then fully generational with 115% male and 95% female

FY Ending 6/30	Accrued Liability (AL)	Assets	Unfunded AL	Annual Required Contribution	Benefit Payments	Funded %
2013	84,149,000	55,902,000	28,247,000	1,000,000	8,295,000	66%
2014	81,838,000	48,940,000	32,898,000	3,465,000	8,226,000	60%
2015	79,413,000	48,433,000	30,980,000	3,465,000	8,098,000	61%
2016	76,940,000	47,295,000	29,645,000	3,465,000	7,963,000	61%
2017	74,422,000	44,648,000	29,774,000	3,465,000	7,820,000	60%
2018	73,164,000	43,278,000	29,886,000	3,925,000	7,671,000	59%
2019	70,476,000	42,448,000	28,028,000	3,925,000	7,516,000	60%
2020	67,756,000	41,725,000	26,031,000	3,925,000	7,355,000	62%
2021	65,008,000	41,122,000	23,886,000	3,925,000	7,190,000	63%
2022	62,234,000	40,655,000	21,579,000	3,925,000	7,018,000	65%
2023	59,439,000	40,338,000	19,101,000	3,925,000	6,840,000	68%
2024	56,626,000	40,190,000	16,436,000	3,925,000	6,656,000	71%
2025	53,801,000	40,229,000	13,572,000	3,925,000	6,465,000	75%
2026	50,970,000	40,476,000	10,494,000	3,925,000	6,266,000	79%
2027	48,139,000	40,954,000	7,185,000	3,925,000	6,061,000	85%
2028	45,316,000	41,686,000	3,630,000	3,925,000	5,848,000	92%
2029	42,508,000	42,701,000	(193,000)	0	5,627,000	100%

Note: The Accrued Liability, Asset, Unfunded AL, and Funded Percents are all as of the beginning of the fiscal year.

The Annual Required Contributions are determined assuming mid-year deposit.